

# Karl Marx on wage labour: From natural abstraction to formal subsumption

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## Abstract

Marx develops two different theories of the employment contract. According to the first, it is an agreement for the sale of a commodity whereby the worker cedes a flow of abstract labour springing from a stock of labour power. Such a commodity seems to be a natural abstraction, a substance with the properties of a productive force. Exploitation occurs when the exchange value of the flow of labour power is lower than the value-creating capacity of abstract labour. According to the second theory, the employment contract is a transaction establishing the worker's subordination to the capitalist and the subsumption of his productive abilities under capital. This is an illuminating anticipation of the modern theory of the employment contract as an institution determining an authority relationship. It is not liable to criticisms of essentialism and naturalism and is able to sustain a consistent and realistic account of capitalist exploitation as being based on the command the capitalist exerts in the production process. Now abstract labour is seen not as a productive force, but as the expression of a social relationship, and is considered an abstraction that is real in a historical sense rather than in a natural sense.

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## 1. Introduction

In the 1857 *Introduction* to the *Grundrisse* Marx resumes Hegel's doctrine of the posited-presupposed circle (Finelli, 1987; 2005). He argues that scientific investigation starts from the historical and empirical data the scientist assumes as the 'effective presuppositions'. These data are a complex representation of concrete reality and are what has to be explained. The scientist, by means of abstraction, posits simple categories that identify the profound essence of the surface appearance of things. Then he uses the abstractions to posit and explain concrete facts, going back from the essence to its phenomenal manifestations. Explanation works as a theoretical reconstruction, based on the abstract categories, of the many determinations of effective presuppositions. 'But – Marx (1858, 39) asks – have not these categories also an independent *historical* or *natural* existence preceding that of the more concrete ones?'

His answer is: '*Ça dépend*'. He thinks that some abstract notions may correspond to real facts, and that in capitalism this possibility is attained, for instance, in the category of 'abstract labour'. 'Labour', he claims, 'seems to be a very simple category [...] Considered economically in this simplicity, "labour" is just as modern a category as the relations which give rise to this simple abstraction' (ib. 40). He is quite explicit about the real existence of abstract labour: 'In the most modern form of the bourgeois society [...] the abstract category "labour", "labour as such", labour *sans phrase*, the point of departure of modern [political] economy, is first seen to be true in practice' (ib. 41).

Now, if certain categories have 'an independent *historical* or *natural* existence', then abstract labour could be considered real in a natural sense. For example, it may be described as a generic material activity implemented by labour in the transformation of nature (Kicillof and Starosta, 2007a, 16; 2007b, 23). Thence the physiological force expended in production is an objective abstraction which becomes social when commodities are exchanged (Robles-Bàez, 2014, 295). Interpreted like that, the doctrine of the posited-presupposed circle seems to give rise to a sort of a-priori physicalist metaphysics, as it postulates that the 'category labour', posited by a process of logical abstraction, is incarnated in a *natural substance* capable of positing its own presupposition in the real world. Heinrich (2004, 2) stigmatizes this as a 'substantialist-naturalist theory of value'.

However, if real abstraction is interpreted as the result of a historical process (Finelli, 1987; Toscano, 2008), it is not such an arcane thing. The idea is that abstract labour is a presupposition of capitalist production, implying an overcoming of the social relationships based on personal bonds (slavery, serfdom) and the establishment of wage labour. This is a fundamental institution of the capitalist mode of production. On the other hand, the process of accumulation in the world market brings about a continual expansion of capitalist production, and therefore a transformation of all labour relationships into wage labour and of labour itself into abstract labour.

In this article I seek to resolve the 'ambivalence' (Heinrich, 2004, 8; Bonefeld, 2010, 257; Robles-Bàez, 2014, 292) of the twofold characterization of abstract labour

as a natural and a historical fact. I show the inconsistencies caused by attributing natural properties to it, and argue that it can become a basic instrument of analysis of capitalism only if it is interpreted as the expression of a social relationship. My ambition is to criticize what Postone (1978; 1993) defines a ‘transhistorical’ account of abstract labour and advocate one which is historically founded. Both accounts are present in Marx’s texts. The former is focused on value analysis in a mercantile economy, the latter on an explanation of labour subjection in a capitalist production process.

In section 2, I reconstruct the method Marx uses to identify abstract labour in the first two parts of *Capital I*. In Part One he defines it by abstracting from concrete labour and treats it as a productive force, i.e. a substance that creates the value of commodities. However he determines it within a system of simple commodity production which abstracts from capitalism and the wage relationship. In Part Two he introduces capital and the wage, and treats abstract labour as a commodity in itself, defining the employment contract as an agreement for its exchange. The labour substance, though, remains the same as that identified in simple commodity production.

In section 3, I try to clarify that, in *Capital*, abstract labour is often regarded as a flow emanating from a stock of labour capacity embodied in the worker’s organism. Thus, it is characterized as a natural force. The very attempt to treat it in this way makes it prisoner of concrete labour.

Section 4 focuses on the notions of ‘value substance’ and ‘value form’. I argue that Marx’s use of the Aristotelian notions of ‘substance’ and ‘form’ does not aid understanding of what abstract labour is. Moreover the idea that labour creates value sometimes induces Marx to use certain metaphors in an inaccurate way and to improperly postulate a causal relationship between the substance and the form of value.

Section 5 concludes the *pars destruens* of this reconstruction. The treatment of abstract labour as a productive force is the main reason behind the inconsistencies emerging in the transformation of labour values into production prices. Since labour values are determined by abstracting from capitalism, they are unable to correctly measure the capitalist exploitation of waged workers.

Section 6 opens the *pars construens*. To start with, I bring to light the Hegelian origin of Marx’s notion of the employment contract as an agreement for the exchange of a commodity. Hegel’s view, according to which this kind of contract must be likened to the Roman Institution *locatio operis*, is wrong. Marx, however, develops an alternative vision that evokes the *locatio operarum* – an agreement whereby workers take on an obligation to obey their employers.

In section 7, I scrutinize this vision by recalling the notions of ‘subordination’ and ‘subsumption’, which are used especially in *Results of the Direct Production Process* and in the *Manuscripts of 1861-1863*. With the employment contract, a worker renounces his decision-making freedom in the labour process by accepting to enter it in a relationship of subordination to the capitalist. This enables capital to subsume the worker’s capacities and use them to secure a surplus value.

In section 8, abstract labour is defined on the ground of the notions of ‘subordination’ and ‘subsumption’. It is no longer considered a natural object. Instead, it is accounted for as emerging from a historically determined social relationship. By virtue of this characteristic, it turns out to coincide with the time spent by the worker in the production process.

## 2. *The double abstraction*

Marx develops an analysis of abstract labour as a ‘value-creating substance’ (1867a, 48) especially in Part One of the first volume of *Capital*, where he identifies it on the ground of two abstraction procedures, a methodological and a substantive one.

Value is defined at the highest level of generality, that is to say, by referring it to simple commodity production, a ‘mode of production in which the product takes the form of a commodity, or is produced directly for exchange’. This is supposed to be ‘the most general and most embryonic form of bourgeois production’ (ib., 93). In reality, as highlighted by Lippi (1979), Marx postulates a hypothetical system of ‘production in general’ – a production process ‘common to all social conditions, that is, without historical character’ (1858, 245-6). In this system, capital is not yet a social relationship, but only ‘appears to be a mere thing, and entirely to coincide with the matter of which it consists’ (1858, 437) or with its labour content.

The notion of ‘production in general’ with this meaning occurs in various works, especially the *Grundrisse* and *A Contribution to a Critique of Political Economy*. Sometimes Marx uses it to criticize the theories of value that abstract from capitalism and history. However, he himself resorts to this abstraction procedure to define value, and even to determine the value of capital as labour embodied in the means of production:

The relation of capital, in accordance with its content, to labour, of objectified labour to living labour – in this relation where capital appears as passive towards labour, it is its passive being, as a particular substance, that enters into relation with labour as creative activity – can in general only be the relation of labour to its objectivity, its physical matter – which must be dealt with already in the first chapter which must precede that on exchange value and must treat of *production in general* (1858, 224-5).

Thus, Marx builds a model of society in which ‘*the dominant relation of man with man is that of owners of commodities*’ (1867a, 70), in other words, a model of society based on the production and exchange of commodities, but not on capitalist exploitation: ‘Commodity production in general’ is production ‘without capitalist production’ (1859a, 159). And in a letter to Engels, he clarifies that, in this model, he abstracts from capital as a social relation: ‘these instalments contain *nothing* as yet on the subject of capital, but only the two chapters: 1. The Commodity, 2. Money or

simple circulation' (1859b, 368).<sup>1</sup> Consequently, he also abstracts from the wage: 'Wage is a category that, as yet, has no existence at the present stage of investigation' (1867a, 54fn). In other words, Marx uses this model to isolate the determination of value from the capitalist social relations. There is an explicit methodological purpose: to study value and labour at the highest level of generality.

Yet the real motive is another one: to identify abstract labour as the sole *productive force* capable of producing value, the sole value-creating substance. In fact, Marx believes that such a level of analysis is appropriate to determine value because this emerges as the exchange value of commodities, and is necessary in order to ascertain that value is produced not by exchange but by abstract labour in the production process. In section 5 below, I recall the problem in Ricardo's value theory that induces Marx to use the methodology of abstraction based on 'commodity production in general'. Meanwhile, note that this model defines the real abstraction of labour by reducing social activity to *commodity exchange* (Sohn-Rethel, 1978, 20, 26; Toscano, 2008, 281), and determines value as a generic variable referred to the reproducibility of commodities (Ahumada, 2012, 844).

Within this level of analysis, Marx delves into another kind of abstraction procedure, one which is substantive rather than methodological. The exchange value of commodities does not depend on the concreteness of their use-values. Thus, labour as its substance cannot consist of concrete labour. And it cannot be a merely conceptual abstraction. Since value is an objective reality, the labour that creates it must also be a real abstraction. Abstract labour so defined is a value-creating substance in that it is a productive force, 'productive labour in its general character' (Starosta, 2008, 28), the sole productive force that produces *new value*:

If the special productive labour of the workman were not spinning, he could not convert the cotton into yarn, and therefore could not transfer the values of the cotton and spindle to the yarn. Suppose the same workman were to change his occupation to that of a joiner, he would still by a day's labour *add value* to the material he works upon. Consequently, we see, first, that the *addition of new value* takes place not by virtue of his labour being spinning in particular, or joinering in particular, but because it is labour in the abstract, a portion of the total labour of society, and we see next, that the *value added* is of a given definite amount, not because his labour has a special utility, but because it is exerted for a definite time. On the other hand, then, it is by virtue of its general character, as being expenditure of human labour power in the abstract, that spinning *adds new value* (1867a, 210-1).

Thus, abstract labour is defined by ignoring the specific qualities of the workers' labour activities, their skills, competencies and performances. It is seen as a purely quantitative magnitude. Concrete labours, instead, are characterized in qualitative terms. They differ in various aspects, which can be reduced to three dimensions: (a) differences in the workers' *competencies*, e.g. between those of a carpenter and those of a bricklayer, (b) differences in the *complexity* of competencies, e.g. between those of a bricklayer and those of an architect, (c) differences in the degrees of performance

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<sup>1</sup> The 'instalments' are those of *A Contribution to the Critique of Political Economy*, whose two chapters anticipate and broadly correspond to the first three chapters of *Capital*.

*efficiency*, e.g. between the work of a carpenter who produces a table in one day and that of a carpenter who produces one in two days. Marx tackles the problem of characterizing abstract labour especially with reference to dimension (a). The other two dimensions are widely dealt with, but are sidestepped with simplifying hypotheses when dealing with abstract labour.<sup>2</sup>

Capital and the wage are only introduced in Part Two of *Capital I*. Chapter 6 focuses on the employment contract, and defines it as an agreement for ‘the sale and purchase of labour power’ (1867a, 178):

in order that our owner of money may be able to find labour power offered for sale as a *commodity*, various conditions must first be fulfilled. The exchange of commodities itself implies no other *relations of dependence* than those which *result* from its own nature. On this assumption, *labour power* can appear upon the market as a *commodity*, only if, and so far as, *its possessor*, the individual whose labour power it is, offers it for sale, or sells it, as a *commodity*. In order that he may be able to do this, he must have it at its disposal, must be the *untrammelled owner* of his capacity for labour, i.e. of his person.

Under this type of contract, the worker receives the value of labour power as payment. He is the owner of a real asset, ‘labour power or capacity for labour’ – a thing consisting of ‘the aggregate of those mental and physical capabilities existing in *the physical form, the living personality, of a human being*’ (1867a, 270).<sup>3</sup> He sells the use-value of this asset, which thus acquires a new characterization. Besides being a substance that creates the value of commodities, now it is a commodity in itself. As such, it has an exchange value and a use-value. ‘Its use-value consists in the subsequent exercise of its force’ (1867a, 184).

The use of abstract labour creates the value of net output. The exchange value of abstract labour is the value of labour power. The difference between the two magnitudes is surplus value, whose ratio to the value of labour power measures the rate of surplus value. This, according to Marx, can be reduced to a rate of surplus *labour* – a ratio between the labour hours used to produce surplus value and those used to produce the workers’ consumption goods (necessary labour). It seems a clear evidence of exploitation, despite the fact that abstract labour has been defined by abstracting from exploitation.

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<sup>2</sup> Not all interpreters grasped the importance of distinguishing the diverse dimensions, and the centrality of the first. For instance, Reuten (1993) focuses on the differences in complexity, Engelskirchen (2007a) on the differences in efficiency. Thus, the former defines abstract labour by determining the coefficients of reduction from the complex to the simple, and the latter by referring to an average efficiency. Another common misunderstanding is to interpret abstract labour as the consequence of a supposed deskilling process brought about by capitalist development. Now, apart from the fact that the evolution of capitalism in the last two centuries has not produced such a process, the point is that, even if the variety of workers’ skills should tend to shrink with the passing of time, it would remain a property of concrete labours anyway.

<sup>3</sup> The italicized words in this quotation do not appear in the International Publisher edition. They appear in the Penguin edition. The original phrase is: ‘Unter Arbeitskraft oder Arbeitsvermögen verstehen wir den Inbegriff der physischen und geistigen Fähigkeiten, die in der Leiblichkeit, der lebendigen Persönlichkeit eines Menschen existieren’. From now on, when the Penguin edition provides a better translation, I quote from it.

### 3. *The basic incongruity of the notion of labour as a natural abstraction*

Now let us examine the use-value of labour power. It consists of the capacity of abstract labour to ‘crystallise’ or ‘congeal’ into the value of a good (1867a, 50, 55, 61, 200), so that ‘all surplus value [...] is in substance the materialisation of unpaid labour’ (1866, 534). This use-value ensues from an expenditure or use of the labour power owned by a worker. In fact

productive activity, if we leave out of sight its special form, viz., the useful character of the labour, is nothing but the expenditure of human labour power [...]. The value of a commodity represents human labour in the abstract, the expenditure of human labour in general [...]. It is the expenditure of simple labour power, i.e., of the labour power which, on average [...] exists in the organism of every ordinary individual (1867a, 54).

It is evident that Marx is talking about a flow. He also defines it as ‘human labour power *in its fluid state*, or human labour’ (1867b, 142), and is undoubtedly identifying a relationship between a flow and a stock when he says that ‘the purchaser of labour power consumes it by setting the seller of it to work. By working, the latter becomes in actuality what before he only was potentially, labour power in action’ (1867, 187). Marx is rigorous in arguing that

the owner of the labour power [...] must constantly look upon his labour power as his own property, his own commodity, and this he can only do by placing it at the disposal of the buyer *temporarily, for a definite period of time*. By this means alone can he avoid renouncing his right of ownership over it (ib., 178).

Obviously, the worker can remain the owner of labour power, notwithstanding his sale of it, only if it is a stock, whilst what is actually sold is a flow. The nature of this flow is that of something endowed with a creative power:

human labour creates value, but is not itself value. It becomes value only in its congealed state, when embodied in the form of some object. In order to express the value of [...] linen as a congelation of human labour, that value must be expressed as having *objective* existence, as being a something materially different from the linen itself, and yet a something common to the linen and all other commodities (ib., 61).

Thus, considering the various definitions introduced so far, abstract labour turns out to be: a *flow* emanating from a labour power which is a physical thing; a *fluid* that congeals into an objective form; a *power* that creates an objective value. Thence the flow itself is an objective magnitude. Is it so in a physical sense? Alas! Abstract labour is often characterized as a physical force, and the use-value of labour power as the ‘exercise of its force’ (1867a, 184). For instance, it is defined as: ‘a productive expenditure of human brains, nerves, muscles’; an expenditure of the simple labour power that ‘exists in the organism of every ordinary individual’ (ib., 54); ‘an expenditure of human labour power in a physiological sense’; ‘the aggregate of those

mental and physical capabilities existing in the physical form, the living personality, of a human being'; or the 'labour power which exists only in his living body' (1867b, 137, 270, 272).

Understandably, some commentators have used these definitions to reduce the value-creating substance of abstract labour to 'the expenditure of human bodily energy' (Kicillof and Starosta, 2007a, 17). They are in good company, since Marx himself declares that 'what the free worker sells is always only a particular, specific measure of the application of his energy. Above every specific application of energy stands labour capacity as a totality' (1858, 393). According to this view, 'any productive activity entails an expenditure of the human body, of human vital energies. As such, human productive action can be termed abstract labour' (Kicillof and Starosta, 2007b, 20). After all, 'muscles burn sugar' (Haug, 2005, 108; see also Starosta, 2008, 31). However the most careful theoreticians of the value-form have stigmatized such interpretations: the 'determination of abstract labour as a physiological expenditure of labour-power leads to the crudest understanding of value and the loss of the socially specific character of value-creating labour' (Landred and Hanlon, 1981, 40).<sup>4</sup> In other words, 'muscles do not burn sugar in the abstract' (Bonefeld, 2010, 266).

At any rate, an energy theory of abstract labour is incongruous. In fact, the supply of energy or force, or the expenditure of brains, nerves, muscles, is a power of concrete labour – exactly the stuff from which abstraction is done. And it is easy to see that two workers who carry out different concrete labours of the same degree of complexity, and who therefore receive the same hourly wage – for instance a call centre operator and an assembly line mechanic – supply different kinds and quantities of energy, and different forms and quantities of brain, nerve and muscle expenditure. Yet their abstract labours must have the same magnitude. Summing up, several definitions Marx puts forward in Part One of *Capital I* lead to a characterization of abstract labour as a physical reality. This seems to be its natural substance, but such substantiality lies in properties that pertain to concrete labour.

#### 4. Value form and substance

In chapter 1 of *Capital* Marx refers to Aristotle's conception of the relationship between matter, or substance, and form:<sup>5</sup> abstract labour is the substance of value and value is a form; the substance creates something that takes the form of value. He

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<sup>4</sup> See also Rubin, 1972, 132fn, Himmelweit and Mohun 1978, 80, De Vroey, 1982, 44.

<sup>5</sup> Some confusion may arise because Marx often uses the term 'substance' with the meaning Aristotle gives to 'matter'. 'Matter' is only one aspect of 'substance' for the Greek philosopher, another aspect is 'form', and a third is the union of matter and form (see Suppes, 1974, Gill, 1989, Kincaid, 2005). In any case, the importance of Aristotle in Marx's analysis of value cannot be undervalued. DeGolyer (1992) convincingly argues that the scientific ambitions of Marx's value analysis stem from Aristotle rather than Hegel. On the importance of Aristotle's ascendancy in Marx see also Lubasz (1977), Pike (1999), Pascucci (2006), Engelskirchen, (2007a; 2007b) and the essays collected in McCarthy (1992), especially Booth (1992).



acknowledges the scientific merits of Aristotle's analysis of value and his intuition that money is a development of the simple value-form. However, he also ascribes to him a shortcoming: Aristotle did not understand that a common substance underlies the value equivalence among different commodities. Marx justifies the Greek philosopher, though, by arguing that he could not understand this truth since there was no abstract labour in the slave economy in which he lived. In fact, the common substance is none other than the abstract labour which 'materializes' itself into the value-form.

Marx (1867a, 60) resorts to an awkward chemical example to illustrate the relationship between substance and form. He mentions two compounds, propyl formate and butyric acid, which have the same molecular formula, and argues that 'by equating the two substances, expression would be given to their chemical composition, while their different physical forms would be neglected'. The chemical composition of phenomenal forms we observe in nature is not immediately apparent, but can be revealed by scientific research. And it is not a trivial proposition that the 'substance', the 'matter', or the 'material cause' of the butyric acid you find in Parmesan cheese is a compound of carbon, hydrogen and oxygen.

According to Engelskirchen (2007a; 2007b), who overtly follows an Aristotelian approach, the 'structural cause' or 'material cause' of the value-form is the market system by which the products of labour are exchanged as commodities. This interpretation, however, only accounts for the reason why commodities have an exchange value, and does not clarify that value is created by abstract labour. The latter is an important proposition in Marx, but it raises two problems, as it seems to postulate: 1) an identity relationship between value and embodied labour; 2) a causal relationship between the substance and the form of value.

On the first problem, see Screpanti (2003; 2016). Here I limit myself to a few remarks. According to some interpreters, Marx's analysis of the value-form aims to *prove* that abstract labour is the substance of value. The reasoning should go as follows: if two commodities have the same exchange value, it is because they have a common substance; this can only be the abstract labour used to create their value, as would be proven by the fact that the value magnitude of the two commodities coincides with the quantity of labour contained in them. In a few words: 'products can only be measured by the measure of labour – by labour time – because by their nature they are *labour*' (1858, 532).

Now, the fact that 20 kilos of coffee exchange for 10 metres of fabric does not imply that the two commodities have some substance in common. It only means that coffee and fabric are exchanged at the ratio  $p_f/p_c=(20\text{kg coffee})/(10\text{m fabric})$ , from which  $p_f(10\text{m fabric})=p_c(20\text{kg coffee})$ , where  $p_f$  and  $p_c$  are the prices of fabric and coffee. Not even the denomination of value in terms of gold money,  $p_f(10\text{m fabric})=p_c(20\text{kg coffee})=p_g(2\text{ozt gold})$ , where  $p_g=1$  is the price of a troy ounce of gold, implies reference to a common substance. In general, money is a sign. In theory, it can be an arbitrarily chosen numeraire: the price of gold, of iron, of wheat etc. It can be the price of labour,  $w=1$ , in which case it might happen that  $v_c(20\text{kg coffee})=(40\text{h labour})$ , where  $v_c=2$  is the labour value of a kilo of coffee (with zero

profits), or the labour commanded by it (with positive profits). Here the identification of the value magnitude as a quantity of embodied labour is the result of an arbitrary choice of numeraire and of the restrictive hypothesis of zero profits. Therefore the proposition that abstract labour is, in general, the substance of value is not proven. It has to be assumed axiomatically (Arthur, 2001, 34), as does Marx in the first pages of *Capital*, where the zero profits hypothesis is implied by the model of simple commodity production.

Now consider the other question: can the relationship between the substance and the form of value be a proper causal relationship? The answer is *no*. One could say that the ‘*material* cause’ of this table as a concrete object is the timber it is made of, meaning that timber is the matter, or the substance, of the table (Reuten, 2005, 84). Yet, is it sensible to argue that wood is the ‘*efficient* cause’ of the table, i.e. that wood is the cause of a labour process that produced the table as an effect?

What you can say is that the concrete labour of a carpenter produces the table in the labour process. Thus, you could think to be allowed to use a *metaphor* that presents abstract labour as an action which produces the value-form as an effect. Actually, Marx sometimes expresses the substance-form relationship in terms of the dynamic movement of a substance from ‘potency’ to an ‘act’, which results in the production of a form. This appears to occur as an ‘effect’ of a ‘power’, which is its efficient cause: ‘as an effect, or as inert being, of the power which produced it’ (1858, 532). Thus it seems that labour creates value, that the value of this table was created by the abstract labour of the carpenter. Indeed, when he says that labour creates value, Marx metaphorizes the labour process into the valorisation process. Yet, forcing the notion of ‘efficient cause’ in this way is not correct.

A scientifically valid metaphor must be *reducible* (Accame, 2006). A metaphor is a linguistic construct that uses a signifier taken from another construct. It is reducible when it is possible to single out similitudes between the two constructs that can be decoded in terms of physical or mental operations. For instance, if I say ‘an artist creates a picture’, and then ‘a carpenter creates a table’, in the second proposition I am using the term ‘creates’ metaphorically. I can reduce this metaphor to observable and comprehensible similitudes between the two propositions: ‘artist’ is likened to ‘carpenter’, as they have in common the condition of being people who use instruments to transform matter; ‘picture’ is likened to ‘table’, in that they are objects produced by human activity. Therefore the term ‘creates’ in the second proposition has a comprehensible meaning. This meaning adds to knowledge, for ‘creates’ is not a simple synonym of ‘produces’: of a carpenter, you can say he creates a table if you mean that he does not just produce a rough object of use, but that he puts a surplus of aesthetic worth into it.

According to Vaccarino (1988), many metaphors are unreducible as they contain a false similitude, i. e. a comparison based on the *negation* of physical or mental operations. So, ‘God created the universe’ is unreducible, for ‘God’ is defined not on the ground of characteristics he has in common with ‘artist’ or ‘man’, but on the ground of characteristics (eternity, infinity, omniscience, omnipotence, omnipresence etc.) that *negate* those of man and are not reducible to physical or mental operations.

The proposition ‘God created the universe’ is a metaphor devoid of any scientifically acceptable meaning.

Well, the metaphor ‘abstract labour creates value’ is unreducible for this same reason. You can say ‘the concrete labour of a carpenter creates a table as a concrete object’. But, if you say ‘the abstract labour of the carpenter creates the value of the table’, you are using an unreducible metaphor because abstract labour is defined as a negation of concrete labour: no characteristics of abstract labour can be likened to characteristics of concrete labour and none are reducible to physical or mental operations. On the other hand if, to avoid a purely negative definition of abstract labour, you also attempt an operational definition in terms of energy or physical effort or the expenditure of brains, nerves, muscles, you fall into contradiction. In fact, as already observed, the expenditure of these kinds of effort pertains to concrete labour. Summing up, the meaning of ‘creates’ in the metaphor of value creation by abstract labour is obscure and devoid of any scientific merit.<sup>6</sup>

### 5. *Abstract labour as a productive force*

Marx says that ‘value is a relation between persons [...] concealed beneath a material shell’ (1867b, 167), and that exchange value ‘causes the social relations of individuals to appear in the perverted form of a social relation between things’ (1859a, 275). Again, ‘The value of commodities is the very opposite of the coarse materiality of their substance, not an atom of matter enters into its composition [...] the value of commodities has a purely social reality’ (1867a, 57). These propositions convey the notion of value as a social relation. Labour value, as an essence that manifests itself in the appearance of commodity relations, should reveal to scientific investigation the social relations of production that are concealed by circulation.

However, once determined analytically, labour values are only able to reveal the structure of ‘socially necessary’ labour, i.e. the simple technical arrangement of production – precisely what had to be expected, if value is determined in a model of production in general. Elson (1980) considers this a ‘technicist’ approach to the theory of value, De Vroey (1982) talks of a ‘technological paradigm’. Actually, knowledge of the technical coefficients is sufficient to determine labour values, whilst knowledge of the rate of exploitation is not necessary. This may vary when the power relations between classes change but, if the technical coefficients do not

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<sup>6</sup> This difficulty cannot be avoided by substituting the term ‘create’ with ‘posit’, as suggested by Arthur (2001, 40-1). Marx uses different words to convey the idea that labour produces value. On some occasions he uses *setzen* (posit); more often he uses *schaffen* (create). In *Capital* he also uses *bilden*, which can be translated with ‘make’, ‘form’, ‘shape’, ‘establish’, ‘create’. A problem with the term ‘posit’, if it is not interpreted as a simple synonym of ‘create’, is that it refers to a logical procedure – like ‘postulate’ or ‘hypothesize’ – so that it tends to generate idealist hypostatization when referred to a real process. At any rate, would this term improve understanding? To say that ‘the abstract objectivity of value mediates itself in the abstract activity of value positing’, or that ‘value posits itself as a quantity of negating activity fixed as what is posited’ (ib.), does not render Marx’s metaphor more reducible.

change, labour values remain unaltered. Thus the labour theory of value, i.e. the theory that determines the value of commodities in terms of the quantity of abstract labour used to create them, is unable to shed light on the fundamental social relationship in capitalism, i.e. that of exploitation.<sup>7</sup>

The difficulty also emerges in the problem of transforming labour values into production prices. A fundamental tenet of Marx's treatment is that the aggregate substance of embodied labour cannot be altered by the transformation. This modifies the form, not the substance. After all, the market cannot add anything to the quantity of surplus value arising from the production process, since this quantity is none other than crystallized labour. Marx is explicit, and argues that the market, by determining the profit rate uniformity, merely redistributes surplus value among the industries, and cannot raise it. Otherwise, prices would not be a phenomenal manifestation of the value substance, but a value-creating substance in their own right. Marx correctly maintains that there is no surplus value creation in the circulation process. However, this expectation was frustrated by the solution of the transformation problem. It can be proven that it is logically possible for the overall surplus value as calculated in a price system to be higher (or lower) than the overall surplus value as calculated in the corresponding labour value system, and that the rates of surplus value determined in the two systems do not generically coincide.<sup>8</sup>

The reason for this incongruity is profound and significant, and resides in the two valuation systems' different capacity to express the social relations of production. Labour values are forms that express the technical conditions of production, and only the social facts that affect *technical* conditions.<sup>9</sup> Instead, any variation of class relations in the production sphere causes an alteration in production prices. Labour values and production prices exhibit this different capacity to express social relations because the former are determined in a system of simple commodity production whilst the latter are determined in a system of capitalist production (Reuten & Williams, 1989, 58).

Marx's acceptance of the labour theory of value has been stigmatized as a residue of Ricardian naturalism (Lippi, 1979). As highlighted by some theoreticians of the value-form,<sup>10</sup> Marx is unable to fully move on from Ricardo. On the one hand, he

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<sup>7</sup> The determination of labour values is often represented with the formula  $\lambda = s + v + c$ , which can be rewritten  $\lambda = (1 + \sigma)v + c$ , where  $c$  is constant capital,  $v$  variable capital,  $s$  surplus value, and  $\sigma = s/v$  the rate of exploitation. It gives the impression that the rate of exploitation affects value – but a wrong impression. In fact, let  $\lambda$  be a vector of labour values,  $l$  a vector of labour coefficients,  $A$  a matrix of technical coefficients, and  $w$  the unit value of labour power. Then  $c = \lambda A$ ,  $v = wl$ , and  $s = (1 - w)l$ . It is  $\lambda = (1 - w)l + wl + \lambda A = l + \lambda A = l(1 - A)^{-1}$ .

<sup>8</sup> To substantiate these propositions, prices can be normalized in such a way as to make the wage bill coincide with the value of labour power. One would expect that the overall surplus value in price terms coincides with that determined in terms of labour value. But this does not necessarily occur (Screpanti, 2016).

<sup>9</sup> Obviously technical conditions may be influenced by historical and social facts – productive organization, scientific progress, market structures etc. However not all social facts and relations affect the technical conditions.

<sup>10</sup> For instance, Backhaus (1980), Rubin (1972), Eldred and Hanlon (1981), Reuten and Williams (1989), Reuten (1993), Arthur (2001; 2004).

argues that value is a social form, on the other, however, he shows himself to have remained a prisoner of the classical economists when he reduces the value-creating substance to the expenditure of a labour power. ‘This substantialist and naturalist approach to value does not really leave the theoretical field of classical political economy’ (Heinrich, 2004, 3).

Marx tries to correct the view, entertained by some classical authors, that a productive contribution is also provided by land, and argues that land helps produce ‘riches’ or ‘material wealth’, i.e. the physical quantities of commodities, but its impact on the production of new value is nil. The same is true with concrete labour. He holds that only abstract labour produces value, and believes that, to be able to evidence this, he must assert that abstract labour is a productive force. Then, to identify labour as the sole value-creating substance, he determines value within a system of production in general that, by abstracting from profits and wages, makes it exclusively dependent on the technical conditions of production. In this way abstract labour, as a ‘productivist motor’ (Fracchia, 1995, 356), is identified as an ontological and transhistorical category pertaining a neutrally evolving technology (Postone 1993)<sup>11</sup> in a non-capitalist production system.

Now, in Marx’s theory of history, the ‘productive forces’ consist of the physical means of production, the science incorporated into them, and the individuals who use them in the labour process, in other words, the techniques in use. Thus the workers’ abilities, as characteristics of concrete labour, should be part of the productive forces. The ‘social relations of production’, instead, consist of the institutional setting used to organize production within a historically determined economic form. An institution typical of capitalism is the employment contract. Abstract labour too is typical of capitalism, as it emerges with the wage relationship. Therefore it should be ascribed to the social relations, not to the productive forces.

Why does Marx believe it necessary to abstract from wages and profits to establish that abstract labour is the sole value-creating substance? The reason is that, in Ricardo’s theory, relative values are affected by the profit rate uniformity in such a way that they do not coincide with the labour embodied in commodities – a result that seems to impair the very Ricardian view according to which the value of a commodity is determined by the labour expended in its production. To tackle this problem, Marx puts forwards a ‘complete reconceptualisation of value, a recasting of the theory of value as an abstraction’ (Himmelweit and Mohun, 1978, 72). Then he raises the following criticism: ‘though Ricardo is accused of being too abstract, one would be justified in accusing him of the opposite: lack of the power of abstraction, inability, when dealing with the value of commodities, to forget profits’ (Marx, 1863b, 416). In fact, in the first chapter of Ricardo’s *Principles* ‘not only *commodities* are assumed to exist – and when considering value as such, nothing further is required – but also wages, capital, profit’ (ib., 393). The latter assumption is

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<sup>11</sup> Postone (1978; 1993) tries to identify the abstractness of labour as a bearing of the historical specificity of capitalist social relations. However, he remains faithful to the universality of the commodity form. Thus Fracchia (1995, 368) is right in observing that Postone himself uses some transhistorical categories.

inappropriate, according to Marx. Value has first to be determined within simple commodity production. Then – boldly maintaining that ‘the sum total of [the] *cost prices* of all the commodities taken together will *be equal to their value* [and that] the total profit will be = to the total surplus value’ (ib., 415) – the prices of production, or cost prices, can be determined at a lower level of abstraction.

In another respect, it is well known that Marx (1863c, 36-7) criticises Ricardo for his inability to understand that capital is a ‘*definite social relationship*’, namely ‘a material condition of labour, confronting the labourer as *power* that had acquired an independent existence’. Less well known is the fact that the same criticism can be raised against Marx’s way to determine values by assuming simple commodity production.

## 6. Wage labour as a commodity and a social relation: from Hegel to Marx

The idea of labour exchange as a commodity exchange is already present in the contract theory Hegel develops in *Elements of the Philosophy of Right*. In § 80 of this work there is a classification of the different types of contracts used in modern societies, and all cases – be it donation, sale, renting, agency – are reduced to agreements for the alienation of a *thing*, to be precise, ‘a single external thing’ (§ 75). The internal attributes of the individual, like his labour capacity, cannot be alienated. Thus, the exchange of labour is reduced to the contract for services, with explicit reference to the Roman institution *locatio operae*, i.e. an agreement by which the worker sells a service produced with his labour ability.

This is a mistake, for the modern employment contract is equated not to *locatio operae*, but to *locatio operarum*. The *locatio operae* or *locatio operis* is a contract whereby, for example, I (*locator*) ask a mechanic to sell me a car repair service and temporarily place (*loco*) the car at his disposal. The *locatio operarum* has a completely different meaning: it is the agreement used by the mechanic, as an employer, to hire his employee. It is a relational contract with which a worker-lessor (*operarius-locator*) alienates not a good consisting in a labour service, but the authority (*potestas*) he has over himself. It does so by temporarily placing himself at the employer’s disposal. In fact *operarum* may be interpreted both as the plural genitive of *opera*, so that *locatio operarum* implies the hiring of labour time in general and not of specific services, and as the irregular plural genitive of *operarius*, in which case *locatio operarum* means the hiring of workers. From the worker’s point of view these two meanings are conveyed by the expressions *locatio operarum sui*, the letting out of his own labour time, and *locatio sui*, the letting out of himself.<sup>12</sup> Both meanings are present in the modern institution of the employment contract.

Hegel does not admit the *locatio operarum*. While he seems to accept Locke’s theory of personal freedom as founded on self-ownership, i.e. on the ownership a person has of himself (§ 45), he nonetheless excludes that, in modern societies, this is

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<sup>12</sup> On all this see Martini (1958).

proper ownership implying the right to sell the good. In fact, he postulates that the endowments which a person is constituted of are inalienable (§ 66). And when he provides examples of the ‘alienation of personality’ he refers to cases like slavery or serfdom.

He does not recognize that the employment contract is a case of partial alienation of personal freedom. Still, he does seem to have grasped this idea when he observes that I can alienate certain particular bodily and spiritual attitudes to someone else, and that ‘I can give him the use of my abilities for a restricted period’ (§ 67). This is on the right track since, in the kind of rule of law prevailing in modern capitalism, the principle of the inalienability of personal freedom implies the prohibition of slavery, but does not rule out the possibility that a worker signs a contract of *subordinate* employment. However, Hegel insists on the idea that what is actually alienated in such a case is only an array of single products, not a part of personal freedom, and that the waged worker would not lose his freedom in the production process, since the use of his force is different from the force itself. But then, why is it necessary to clarify that the sale of personal abilities is admitted only for a limited time? Such a qualification is required if the contract is intended as an agreement by which the worker surrenders his *potestas*, not if he yields single services: if the sale were not limited in time, it would be an enslaving contract.

The inconsistency of this conception is brought to light by Fusaro (2007), who also notices that the Hegelian argument is reproduced almost literally by Marx in *Value, Price, and Profit*, where he says that a ‘*maximum time* is fixed for which a man is allowed to sell his labouring power. If allowed to do so for any indefinite period whatever, slavery would be immediately restored’ (1865, 128). Also in *Capital* Marx (1867a, 178) says that ‘the continuance of this relation demands that the owner of labour power should sell it only *for a definite period*, for if he were to sell it rump and stump, once and for all, he would be selling himself, converting himself from a free man into a slave.’ More explicitly than Hegel, Marx sometimes argues that a worker is the owner of labour power who sells a certain quantity of abstract labour. However, his qualification of the temporariness of the sale is plausible if the employment contract is understood as establishing a relationship of subordination. Marx is certainly not afraid of bringing to light the substantially slave-like nature of wage labour, nor is he afraid of recognizing that the worker, with the employment contract, ‘sells at auction eight, ten, twelve, fifteen hours of his life, day after day’ (1847, 203). And he insists on the idea that waged workers sell themselves. For instance, in a letter to Abraham Lincoln he says that, compared to the black slave, who is ‘mastered and sold without his concurrence’, the white worker boasts the highest prerogative ‘to sell himself and choose his own master’ (1864, 20). This idea grasps the meaning of the employment contract better than the theory that reduces it to a commodity sale.

The comparison Marx suggests between slavery and wage labour reveals the distance he takes from Hegel on a decisive issue. It paves the way for the

development of a theory of the employment contract as an institution that generates the authority relationship<sup>13</sup> required to implement capitalist exploitation.

### 7. *The subsumption and subordination of labour*

To comprehend abstract labour as resulting from a social relation of production, it is necessary to understand the way capital ‘appropriates’ living labour. In an illuminating passage of the *Grundrisse* Marx (1858, 205) says that, in the exchange between capital and labour

the use-value of what is exchanged for money appears as a *particular economic relationship*, and the specific *utilization* of what is exchanged for money constitutes the ultimate purpose of both processes [that in which the workers gets the money and that in which the capitalist appropriates labour]. Thus there is already a distinction of form between the exchange of capital and labour and simple exchange [...] The difference of the second act from the first – the *particular process of appropriation of labour* on the part of capital is the second act – is EXACTLY the distinction between the exchange of capital and labour and the *exchange of commodities* as mediated by money. In the exchange between capital and labour, the first act is an exchange and falls wholly within ordinary circulation; the second is a process *qualitatively different from exchange* and it is only BY MISUSE that it could have been called exchange of any kind at all. It stands *directly opposed to exchange*.

The words I have italicized convey three original ideas: in exchange for the wage he pays to the worker, the capitalist obtains the establishment of a *relationship*, not a thing; such a relationship serves to prompt the process of *utilization* and *appropriation* of labour; and this process is *qualitatively different* from the *exchange of commodities*, is its *direct opposite*.

The employment contract determines an ‘exchange’ which is a ‘non-exchange’ for the capitalist:

The exchange between capital and labour, the result of which is the price of labour, even though for the worker is a simple exchange, must for the capitalist be non-exchange. He must receive more value than he has given. From the point of view of capital, the exchange must be *merely apparent*, i.e. an economic category other than exchange, or else capital as capital and labour as labour in antithesis to it would be impossible (ib. 247).

In what sense is this transaction, which appears to the worker as an exchange, a ‘non-exchange’ for the capitalist, or a ‘merely apparent’ exchange? Marx answers the question in *Results of the Direct Production Process*, where he says that the worker, as ‘the owner of labour capacity figures as its *seller* – irrationally expressed, as we have seen’. Why irrational? Because that is how he appears, although not how he really is. Instead, he is a ‘direct seller of *living labour, not of a commodity*’ (1866, 444). Then Marx explains that ‘with the development of capitalist production all

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<sup>13</sup> See Simon (1951) for a modern elaboration of this idea. For a Marxist formulation, see Screpanti (2001).



*services* are converted into *wage labour*, and those who perform these services are converted into *wage labourers* – even unproductive workers. This fact ‘gives the apologists [of capitalism] an opportunity to convert the productive worker, because he is a wage labourer, into a worker who merely exchanges his *services*’ (ib., 446). In reality, no commodity consisting of a worker’s service is exchanged in the labour market. Rather a social relationship is shaped that transforms the producer into a waged worker. Then the apologists of capitalism present the worker as a seller of services, and in this way they make the ‘non-exchange’ of labour appear as an exchange of commodities.

In *Results of the Direct Production Process* and in the *Manuscripts of 1861-1863* Marx develops the notions of ‘subordination’ and ‘subsumption’. Sometimes he uses the two words as synonyms, sometimes as distinct terms. In any case, it is important to keep them separate and understand the differences in their meanings.

The term *subordination* denotes a relation between the capitalist and the worker as employer and employee<sup>14</sup> – a ‘*relation of domination*’ (ib., 431) in the production process. *Subsumption* instead refers to the process whereby the productive power of labour becomes ‘a productive power of capital’ (ib., 429). The firm is the legal embodiment of capital, the productive forces deployed in the production process pertain to it, even though labour activities are executed by the workers. The firm’s ownership of a worker’s productive force originates from the ‘subordination to capital of the labour process’ (ib., 439).

Marx defines *formal* subsumption (and subordination) as follows:

This formal subsumption of the labour process, the assumption of control over it by capital, consists in the worker’s subjection as worker to the supervision and therefore the command of capital or the capitalist. Capital becomes command over labour [...] in the sense that the worker as a worker comes under the command of the capitalist (1863a, 93).

The subsumption is formal, in so far as the individual worker, instead of working as an independent commodity owner, now works as a labour capacity belonging to the capitalist, and therefore under his command and supervision (ib., 262).

Here the adjective ‘formal’ evokes the way in which, in Hegel’s philosophy, a kind of contract determines a relationship only formally, that is to say, abstracting from its substantial content, from the specific characteristics of the object of exchange, and from the personal identities of the parties (Benhabib, 1984). In this sense, a type of contract is an institutional condition that determines the form of a social relationship. Subsumption and subordination are formal in that they are based on the form of contract that originates wage labour in a capitalist economy: ‘there is already a

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<sup>14</sup> The employer may be a personal capitalist or a company endowed with legal personality. Then managers can exert the function of command in the production process. In public companies, as well as in state-owned companies, where ownership is separated from control, the real capitalist is the figure who actually exerts power in the labour process. Marx (1894, 338-43) calls him ‘industrial’ or ‘active’ or ‘functioning capitalist’. From the legal point of view, he is a functionary of the firm. From the social point of view, he is the real capitalist confronting the workers in the labour process. On all this, see Screpanti (1998).

distinction of *form* between the exchange of capital and labour and simple exchange' (1866, 432). The employment contract is the institution that enables two parties endowed with legal personality to voluntarily establish a relationship of subordinate employment: 'If the relation of domination and subordination replaces those of slavery, serfdom, vassalage [...], there takes place only a *change in their form*. The form *becomes freer* [...] it is formally speaking voluntary' (ib., 433).

Once it has taken control of labour, capital governs it in view of its goals, so that subsumption becomes *real*, involving the capitalist's regulation of the labour process. In fact, 'the *formal* subsumption of labour under capital [...] is the condition and presupposition of its *real* subsumption' (1866, 430). In other words, formal subsumption '*is the general form of any capitalist production process*', since it establishes the social relation by virtue of which 'the labour process is subsumed under capital (it is capital's *own* process) and the capitalist enters the process as its conductor, its director' (ib., 424).

What the capitalist gets in exchange for the wage is the prerogative to start the second 'act' or 'process' of the exchange which takes place in the factory. The employment contract creates the institutional conditions for the utilization of living labour in the production process: 'the buying of the labour capacity' is 'the appropriation of the ability to dispose over the labour', or 'the appropriation of the title to its use' (1859a, 506). This title is acquired by the capitalist by virtue of the obligation to obedience taken on by the worker through the contract, and it is what ensures that 'there develops within the production process itself [...] an *economic* relation of domination and subordination' (1866, 430).

The function of command in the labour process is necessary to realize the exploitation of workers. It is so even in pre-capitalist economic forms, but there is a specifically capitalist mode of establishing the subordination of labour. In pre-capitalist economic forms, command over labour is based on relationships of 'personal' bond, enforced by institutions of an eminently political and policing nature. In the capitalist mode of production, instead, any kind of personal bond is overcome and the worker is recognized as a citizen endowed with the freedom of contract. What is it, then, that ensures his subordination to the capitalist?

The essential features of *formal subsumption* are these: 1) The purely money relation between the person who is appropriating the surplus value and the person who provides it; to the extent that *subordination* arises, it arises from the *particular content of the sale*, not from a *subordination* preposited to *the sale*, which might have placed the producer in a relation other than the money relation (the relation of one commodity owner to another) towards the exploiter of his labour, as a consequence of political conditions etc. It is *only* as owner of the conditions of labour that the buyer brings the seller into a condition of *economic* dependency, it is not any kind of political and socially fixed relation of domination and subordination. 2) Something implied by the first relation – for otherwise the worker would not have to sell his labour capacity – namely the fact that the *objective conditions of his labour* (the means of production) and the *subjective conditions of his labour* (the means of subsistence) confront him as *capital* (ib., 430).

In the market, a worker is legally free. The ideology of capital induces in him ‘the consciousness (or rather the *idea*<sup>15</sup>) of free self-determination, of freedom’, and this renders him ‘a much better worker’ (ib., 435). In the *Manuscripts of 1861-1863* and in *Results of the Direct Production Process* Marx tries to deconstruct such an idea. He argues that, by virtue of it, the worker believes himself to be free and hence justifies to himself the acceptance of the employment contract. In reality he is not free, rather ‘he has a choice [...] as to whom he sells himself to, and can change MASTERS’ (ib., 437). In other words, he is ‘free’ to submit to the power of his exploiter. The paradox of the employment contract is that it sanctions the formally free choice of the worker to surrender his real freedom for a certain number of hours. The material condition of this paradox resides in the fact that the worker is ‘free’ of any wealth, i.e. he does not own the means of production and subsistence that would enable him to choose autonomously how to earn a living. Once the contract is signed, the worker enters the factory, where his freedom of choice is in principle nil, and labour activity is ‘imposed’ on him (De Angelis, 1996, 18-9).<sup>16</sup> He cannot decide how to work, what to produce, how to cooperate with other workers, how to use the machines etc. These prerogatives pertain to the capitalist, who has used the employment contract to transform the freedom surrendered by the worker into his own power.

## 8. Abstract labour as a social relationship

There is something in *Results of the Direct Production Process* that merits particular reflection – or rather something that is *not* in it: the expression ‘abstract labour’. Yet Marx deals with this concept extensively in that work. For instance, when he reconstructs the historical transformation process of the artisan labour relationship into a capitalist relationship, he observes that the capital of a master artisan ‘is tied to a particular form of *use-value*’. The capitalist firm, instead, involves ‘the *removal of all these barriers* [...]’. Capital (money) can be exchanged for *any kind* of labour’ (ib., 434-5). Subsequently he says that ‘in North America, where the development of wage labour has least of all been affected by the old guild system, etc., this *variability*, this complete indifference to the specific content of labour, this ability to transfer from one branch to another, is shown particularly strongly’ (ib., 438). And when he explains that, in a capitalist economy, labour is only productive if it produces surplus value, he argues that it ‘has absolutely nothing to do with the *particular content* of

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<sup>15</sup> This word appears in the Penguin edition (p. 1031). The word that appears in the International Publisher edition is ‘notion’.

<sup>16</sup> In practice, the employer’s authority can be limited to some extent by laws, customs, the contract itself, and especially the workers’ resistance (Screpanti, 2011). In fact, not only the wage negotiation, but also the labour process, is a field of class struggle. In the latter case, the struggle is about the use of labour capacities. De Angelis (1995; 1996) perceptively accounts for class struggle in the production process by referring it to the character of abstraction taken by wage labour as subordinate activity, although he still seems to accept the view that the employment contract is a form of commodity exchange.

the labour, its particular usefulness or the specific use-value in which it is expressed' (ib., 448).

When talking about 'abstract labour' in *Results of the Direct Production Process*, Marx never uses this expression. Rather, he speaks of 'undifferentiated, *socially necessary, general* labour, entirely *indifferent* towards any particular content' (ib., 401) – hence outlining the phenomenon by specifying its economic and social properties rather than its physical ones. These expressions refer to two characteristics of labour that need to be clearly distinguished: on the one hand, its being *socially necessary*, on the other, its being *indifferent* or *general*.

The notion of 'socially necessary labour' refers to a situation of productive efficiency: labour, with 'the *socially normal*' intensity (ib., 396), is employed in the factories and allocated among the industries in the quantities and qualities required by the technique in use. This notion shares with that of 'abstract labour', as a *natural* abstraction, the characteristic of being a productive force, but not that of being abstract. In fact the material base of socially necessary labour consists of concrete labours specified in relation to the production technique: so many hours of bricklayers' labour to build houses, so many hours of engineers' labour to build cars.

The notion of 'indifferent or general labour', instead, must be interpreted as meaning 'indifference towards any particular content'. It abstracts from concrete labours, and shares with that of abstract labour the characteristic of being quantifiable. Marx clarifies that the fundamental reason why labour becomes a quantifiable magnitude is because the worker's activity is carried out under a relation of subordination and, consequently, *his productive forces, being subsumed under capital, are no longer attributes of labour*. Since subsumption is a social relation typical of capitalism, the labour characteristic of being quantifiable is intimately linked to its historicity: it occurs only in a production system based on wage labour.

In this way, the properties of naturalness and historicity are separated: the former pertains to the technological structure of socially necessary labour; the latter, to the social structure that ensures exploitation.

In the *Grundrisse* quote I reported at the beginning of the preceding section, Marx accounts for the historical appearance of the wage relationship by arguing that capital is interested in exchanging with labour, and that the ultimate purpose of this exchange is to obtain the title to the *utilization and appropriation* labour. Now he clarifies that

the *social productive powers of labour* all present themselves as *productive forces*, as properties inherent in capital [...] The *social combination* of the individual labour capacities [...] does not belong to the workers, but rather confronts them as a *capitalist arrangement*, it is *inflicted* upon them (ib., 455-6).

The *subsumption* of labour capacities under capital is the real fact that engenders the firm's indifference toward concrete labours from the standpoint of accountancy. In the *determination of a commodity value*, labour costs are calculated in terms of the quantity of money paid per labour hour, disregarding the workers' productive forces. This is the crucial point, and Marx is fully aware of it: the wage is determined

independently of labour productivity. The capitalist, in recording labour costs, is indifferent to the specific use-values of labour – not because he is not interested in the concrete abilities, but because the productive capacities associated with these abilities belong to him once the employment contract is signed. What is bought, what is paid for, is not the set of these abilities, and not even a generic ‘labour capacity’. It is another thing, and a very abstract one indeed: *labour time*, meaning the time during which the worker undergoes the capitalist’s control in the production process.

The close relationship between the worker’s subordination to capital and the independence of the wage from his specific skills and competencies can also be seen from another angle. With *real* subordination, the capitalist exerts command in the labour process, and thence the power to determine all its aspects: the method and organization of labour, the choice of techniques, the investment decisions, the use of science etc. This implies that he also has the power to reallocate workers among various tasks in relation to technical change, and even the power to reskill them at his will. Therefore the capitalist demands from his workers a certain degree of malleability, meaning not only a willingness to obey his orders, but also pliability towards his exigency to reshape their abilities.

Now it should be easier to understand why the wage is commensurate to a purely quantitative magnitude, and why it is reasonable to use the concept of ‘abstract labour’ to denote this magnitude – but only after purging it of any characteristic of naturalness and productiveness. Precisely this abstraction makes exploitation possible. Once the price of labour time is fixed, and once capital has subsumed the workers’ capacities, it is a capitalist prerogative to manage the production process in such a way as to obtain commodities whose value added is greater than the wage paid. The capitalist’s power enables him to extract a higher or lower surplus value from production; his organizational and managerial ability determines labour productivity and therefore the intensity of exploitation. In fact, the capitalist compels the worker

to ensure that his labour possesses at least the socially normal *average degree* of intensity [and] will try to raise it as much as possible above this *minimum* and extract from him over a given period as much labour as possible, for every [increase in the] intensity of labour over the *average degree* creates [a bigger] surplus value for him (ib., 396).

The ‘market’ determines only the price of labour time, not labour productivity, nor the magnitude of surplus value. Productivity is determined in the factory, and is a function of the exertion of the capitalist’s power within the labour process.

In reality, it is the contract itself, and the parties’ bargaining powers, which determine the ‘price of labour’. By establishing the worker’s obligation to obedience for a prearranged length of time, the contract fixes a wage that is exclusively commensurate to that time. So, to be precise, the wage is a *payment for obedience*, the price of freedom, and not the value of a commodity. ‘The more [the workers] wish to earn, the more must they sacrifice their time and carry out slave-labour, completely losing all their freedom,’ (1844, 237). In the exchange with capital, a

worker alienates his own freedom; ‘what he receives as the price is the *value* of this alienation’ (1858, 248).

At last we can understand why abstract labour is ‘practically true’ in a historical sense and cannot be so in a natural sense. This is because it identifies a *social relationship* that enables the capitalist to consider labour as if it were a homogeneous input and measure its quantity in time units. Since it is typical of the capitalist mode of production, abstract labour emerges in all its simplicity only in the most modern economic form of human evolution:

The simple abstraction which plays the key role in modern [political] economy, and which expresses an ancient relation existing in all forms of society, appears to be true in practice in this abstract form only as a category of the most modern society [...] The example of labour strikingly demonstrates that even the most abstract categories [...] are, in the determinateness of their abstraction, just as much a product of historical conditions and retain their full validity only for and within these conditions. Bourgeois society is the most developed and many-faceted historical organization of production. The categories which express its relations [provide] an understanding of its structure (1858, 42).

Now it is possible to formulate a sound definition of *abstract labour*: *it is the labour time spent by a waged worker in the production process*. In other words, it is ‘work in its capitalist form’ (De Angelis, 1995, 108). It is not work in a transhistorical or mercantile form. Is this definition compatible with that developed at the beginning of *Capital*? Or is there a contradiction between the two (Bonefeld, 2010, 263)? *Ça dépend*.

Some of the notions put forward in *Capital* must be appropriately interpreted, especially the metaphor concerning the substance-form relationship. Abstract labour as labour time can be considered a ‘substance’, but a *social* substance, not a natural one. It originates from the social relationship that transforms the worker into a waged worker and his labour practices into the implementation of the capitalist’s production plan. Labour time, so defined, is not a productive force. It is empty time that measures what is not (Bensaïd, 2002, 82) – what is not a worker’s action. It is ‘abstract time’, time made up of ‘equal, constant, non-qualitative units’ spanning ‘an independent framework within which motion, events and action occur’ (Postone, 1993, 202) – to be precise, the capitalist’s action. In fact, labour capacities have been subsumed by capital, and are expended as attributes of capital.

What to do, then, with the idea that abstract labour creates, forms, or posits the value of commodities? This too has to be reinterpreted. The social substance is the social relation of production that enables a capitalist to produce commodities whose value yields him a surplus value. A change in the power relations between social classes resulting in a modification of labour productivity, labour hours, or the hourly wage, can be seen as the cause of a change in production conditions that has as final effect a variation in the quantity and value of produced goods. More simply, a change

in the rate of exploitation, defined as a ratio between unpaid and paid labour,<sup>17</sup> causes a change in the rate of surplus value, defined as a ratio between surplus value and the wage bill. Now there is indeed a causal relationship between the social ‘substance’ and value – and it is an *efficient* cause, not just a material cause. It consists of the chain of causal links between the social conditions of production and the value of output. Clearly, you can no longer say that an increase in the natural substance of abstract labour creates an increase in the magnitude of the value-form. Yet you can utter, for instance, a much more interesting proposition: that an increase in labour hours or in labour productivity causes, *ceteris paribus*, an increase in profits and a change in prices. Note that such a notion of ‘substance’ does not convey the idea of a transcendent essence of phenomenal appearances. There is no metaphysics in this interpretation of the substance-form relationship. There is only an analysis of the causal links that connect the social conditions of labour activity to the outcome of production.

Most of Marx’s propositions in Parts One and Two of *Capital I* can be reinterpreted in this manner to make them scientifically sound. Most, but not all. There is an abstraction procedure that cannot be complied with in any way: the assumption that isolates production from the capitalist social relations. The value of capital must not be determined in a system of ‘commodity production in general’. The relationship between the social substance and the value-form, between the social conditions of production and the value of output, cannot be investigated within a model that abstracts from history and the social relations.

## Conclusions

In defining the employment contract, Marx remains partly trapped by Hegel’s philosophy of right, and adopts the classical paradigm that reduces all contracts to agreements for the exchange of commodities. Then, under Ricardo’s influence, sometimes he is induced to define ‘labour power’ in terms of a natural force owned by the worker. What is sold as a commodity is a flow of abstract labour springing from a stock of labour power.

Abstract labour is considered a logical category defined through an intellectual process of abstraction from the physical characteristics of concrete labours. In what sense is it a real thing? To answer this question the Hegelian Marx resorts to the most essentialist part of the posited-presupposed doctrine, according to which an abstract category posited by the investigator can be a natural substance capable of positing, in turn, its phenomenal manifestations. Thus, abstract labour is seen as a force that creates value. It is a sort of metaphysics of value creation, expressed with a metaphor taken from the labour process: ‘expenditure of human brains, nerves, muscles’. However, these are just the things from which abstraction has to be performed.

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<sup>17</sup> Following the ‘new interpretation’ proposed by Duménil (1980; 1983-4) and Foley (1982), this measure of exploitation can be calculated by normalizing prices with a monetary expression of labour productivity.

A series of inconsistencies ensues that impairs the labour theory of value, i.e. the theory according to which the value of commodities is created by the quantity of abstract labour used to produce them. Besides the vice of essentialism, the thorniest problem is caused by the fact that labour values are variables of a purely technological nature, as they only depend on the technical coefficients of production. Not by chance, Marx often defines them as manifestations of a productive force operating in a system of production in general, rather than as expressions of capitalist social relations.

However, most of these inconsistencies can be disposed of if the theory of abstract labour is interpreted in the light of what Marx writes in the *Manuscripts of 1861-1863* and in *Results of the Direct Production Process*. In these works, he develops the notions of ‘subordination’ and ‘subsumption’ and finds a new path to the theory of the employment relationship. The former notion is defined as the *subordination of the worker to the capitalist*, i.e. his obligation to execute labour activity under the command of the employer. The latter is meant as the *subsumption of labour productive power under capital*, i.e. the manifestation of labour capacities as attributes of capital. Now Marx considers ‘irrational’ the idea that a worker is a commodity seller. Instead, he characterizes the employment contract as an agreement establishing a relationship of subordination. He puts forward, far in advance of the modern theory of relational contracts, the view that the employment contract is an institution which generates the authority relationship as a fundamental condition for the capitalist control of the production process. This new theory is an alternative to the traditional one of a Hegelian-classical origin. On its ground, it is possible to develop an explanation of exploitation which is exempt from all the vices of the labour theory of value.

In this approach, abstract labour is not a category resulting from a procedure of logical abstraction, and least of all an outcome of the hypostatization of such a category into a natural substance. Instead, it is a concept ensuing from the observation of a real practice of capitalist firms, namely the practice of calculating labour costs in terms of money paid per unit of labour time. Labour, as a production input, is abstract because it is reckoned independently of the workers’ concrete abilities, which have been subsumed by capital and used in the production process as its properties.

This theory, among other things, paves the way for a rethinking of the critique of bourgeois ideology and commodity fetishism by overcoming the Marx-Hegelian vulgate that prevailed in the greatest part of 20th century Marxism. Ideology is not a simple super-structural manifestation of a productive structure consisting of the essence of capital as crystallized labour; nor is it the hiding of an objective truth the scientist can grasp by delving from the surface appearance into the essence of things. Rather, as theorized by Gramsci, it is an array of cultural constructs which help *constitute* social reality by justifying and motivating human behaviour. Marx’s critique of the market ideology as a realm of equality and freedom does not simply boil down to unmask the market as the place where the essence of capital manifests its surface appearance. Rather, it works as the deconstruction of a fundamental



institution of exploitation. It calls for rejection of the economists' conception of the employment contract as a normal mercantile transaction, and accounts for it as the legal and ideological institution by means of which capital coaxes the workers to accept the subordination relationship *as if* it were an exchange of commodities. This deconstruction, aimed at overturning bourgeois hegemony, brings to the fore an alternative class viewpoint according to which the employment relationship is founded on capital's despotism and the production of surplus value is made possible by the exercise of this despotism within the labour process.

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